

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 SS-15 NSCE-00 INRE-00

CIAE-00 INR-10 NSAE-00 SP-02 USIE-00 PA-01 PM-05

DODE-00 ACDA-12 MCE-00 TRSE-00 L-03 /071 W

-----058578 101743Z /62

O R 101640Z MAR 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 3265

INFO AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

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E.O. 11652: GDS

TAGS: MASS, MMOL, IN, SW

SUBJECT: INDIAN ACQUISITION OF A DEEP PENETRATION

STRIKE AIRCRAFT

REF: STOCKHOLM 646

1. BEGIN SUMMARY: ACCCOMPANIED BY POLCOUNS AND DATT, AMBASSADOR ON MARCH 10 CALLED ON MINISTER OF DEFENSE KRONMARK, AT LATTER'S REQUEST. KRONMARK REVIEWED SWEDISH EFFORTS IN PAST AND CURRENTLY TO SUPPLY INDIA WITH SUBSTANTIAL NUMBERS OF AJ-37 VIGGEN JET FIGHTERS. KRONMARK SAID SWedes HAVE BEEN HEARTENED BY RECENT VISIT OF HIGH-LEVEL INDIAN MILITARY-TECHNICAL TEAM AND BELIEVE SWEDISH CHANCES NOW IN DEEP PENETRATION STRIKE AIRCRAFT COMPETITION ARE ABOUT EVEN WITH JAGUAR AND MIRAGE. HE REQUESTED THAT AMBASSADOR CONVEY, DURING CONSULTATIONS IN DEPARTMENT WEEK OF MARCH 12, GOS HOPE THAT A FORMAL GOS APPLICATION FOR US APPROVAL TO EXPORT VIGGEN TO INDIA WOULD BE EXPEDITIOUSLY AND FAVORABLY CONSIDERED. END SUMMARY

2. AT REQUEST OF MINISTER OF DEFENSE KRONMARK, AMBASSADOR, ACCCOMPANIED BY POLCOUNS AND DATT, DISCUSSED ON MARCH 10
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SWEDISH POSSIBILITIES FOR SIGNIFICANT SALE TO INDIA OF MODIFIED (VA) VERSION OF VIGGEN AJ-37 GROUND ATTACK AIRCRAFT. KRONMARK SAID THE CONTEMPLATED DEAL WOULD INVOLVE 170 PLANES, 40 OF WHICH WOULD BE BUILT IN SWEDEN AND 130 OF WHICH WOULD BE BUILT UNDER LICENSE IN INDIA. KRONMARK ADDED THAT SOME OF THE "COUNTERMEASURE EQUIPMENT" FEATURED ON THE ORIGINAL SWEDISH VERSION OF THIS AIRCRAFT

WOULD NOT BE INCORPORATED INTO THE ONE WHICH WOULD BE EXPORTED TO AND BUILT IN INDIA. KRONMARK, IN RESPONSE TO QUESTION, SAID HE WOULD NOT SAY FOR CERTAIN THAT VA VERSION WAS EXACTLY SIMILAR TO AIRCRAFT UNDER CONSIDERATION IN 1975 WHEN A SIMILAR SALE OF THE VIGGEN TO INDIA WAS CONTEMPLATED. HE COULD SAY, HOWEVER, THAT THE ELECTRONIC COMPONENTRY, PRACTICALLY ALL OF WHICH IS THE RESULT OF US TECHNOLOGY AND US EQUIPMENT, IS UNCHANGED FROM THAT OF THE 1975 VERSION.

3. KRONMARK STRESSED THAT THE GOS HAS CONSIDERED THE PROPOSED DEAL AND HAS APPROVED SAAB-SCANIA'S PARTICIPATION IN FURTHER NEGOTIATIONS WITH GOI REPRESENTATIVES. BECAUSE USG APPROVAL IS REQUIRED, KRONMARK SAID, THE US SHOULD CONSIDER TODAY'S MEETING AS AN OFFICIAL PRELIMINARY REQUEST BY THE GOS FOR SUCH APPROVAL. A MORE FORMAL GOS REQUEST WOULD BE MADE LATER, DEPENDING ON THE OUTCOME OF NEGOTIATIONS. THE INDIAN MILITARY-TECHNICAL TEAM NOW IN EUROPE HAS REQUESTED SAAB-SCANIA REPS TO COME TO LONDON NEXT WEEK FOR FURTHER TALKS. SAAB-SCANIA UNDERSTANDS INDIAN TEAM WILL MAKE ITS RECOMMENDATIONS TO NEW DELHI BY THE END OF MARCH. THUS, FORMAL REQUEST TO USG COULD COME BEFORE MID-APRIL.

4. KRONMARK REVIEWED STATUS OF SWEDISH AEROSPACE INDUSTRY. HE SAID SWEDES FIND IT ESSENTIAL THAT EXPORT TO INDIA BE
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APPROVED SINCE THE CONTINUED STRENGTH OF THE INDUSTRY HERE DEPENDS HEAVILY ON THIS SALE. A STRONG INDUSTRY IS REQUIRED TO MAINTAIN THE CREDIBILITY OF THE SWEDISH DEFENSE EFFORT. WHILE THE SALE OBVIOUSLY IS IN SWEDISH INTEREST, KRONMARK SAID, IT COULD ALSO BE SEEN TO BE IN OUR MUTUAL INTEREST IF WE CAN AGREE THAT THE SWEDISH DEFENSE AND ITS INDUSTRY BE MAINTAINED AT A HIGH LEVEL. HE SAID THAT THE PROBLEMS OF THE SWEDISH INDUSTRY CENTERED ON FACT THAT PRODUCTION RUNS FOR SWEDISH REQUIREMENTS ARE TOO LIMITED AND COSTLY. THUS, THERE ARE BASIC CONSIDERATIONS HERE INVOLVING BOTH SWEDISH DEFENSE AND THE COUNTRY'S ECONOMY.

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DODE-00 ACDA-12 MCE-00 TRSE-00 L-03 NEAE-00 /071 W
-----058605 101745Z /62

O R 101640Z MAR 78
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5. KRONMARK THEN DISCUSSED SWEDISH-US MUTUAL CONCERN THAT HIGHLY SOPHISTICATED ARMS AND WEAPONS SYSTEMS NOT BE TRANSFERRED TO THE THIRD WORLD. THE VERSION OF THE VIGGEN NOW BEING DISCUSSED FOR INDIA IS A MUCH LESS SOPHISTICATED AIRCRAFT THAN THAT NOW FOUND IN THE SWEDISH INVENTORY. GOS WOULD NOT RPT NOT AGREE TO EXPORT THIS MOST ADVANCED MODEL. FROM GOS POINT OF VIEW, THE EXPORT OF THE VA VIGGEN TO INDIA ACCORDS WITH SWEDISH AND US POLICY.

6. KRONMARK REQUESTED THAT THE AMBASSADOR, IF HE AGREED, CONVEY TO APPROPRIATE WASHINGTON OFFICIALS THE VIGGEN EXPORT CASE DURING CONSULTATIONS NEXT WEEK. GOS HOPES FOR EARLY, FAIR AND FAVORABLE US CONSIDERATION.

7. AMBASSADOR RESPONDED THE US FULLY SUPPORTS DESCRIBED NEED FOR CREDIBILITY SWEDISH DEFENSE EFFORT. HE GAVE ASSURANCES THAT KRONMARK'S VIEWS EXPRESSED TODAY WOULD REACH THE HIGHEST APPROPRIATE USG LEVELS.

8. AT CONCLUSION OF MEETING, KRONMARK ASSERTED THAT SAAB REPS NOW FEEL VIGGEN CHANCES IN COMPETITION
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ARE AT LEAST EQUAL TO THOSE OF JAGUAR AND MIRAGE. SAAB OFFICIALS HAVE COME TO THIS CONCLUSION FROM RECENT COMMENTS BY GOI UNDER SECRETARY OF DEFENSE. WACHTMEISTER, HE SAID, HAS BEEN INSTRUCTED TO SEE GELB ON MARCH 13 TO REPEAT POINTS MADE TODAY AS WELL AS TO PRESENT COPIES OF A GOS DOCUMENT DESCRIBING IN SOME DETAIL ALL US COMPONENTS INCORPORATED INTO THE VA VERSION OF THE VIGGEN. KRONMARK CONCLUDED BY PROMISING TO STAY IN

CLOSE TOUCH WITH THE EMBASSY AND AMBASSADOR RESPONDED
THAT HE WOULD DO THE SAME.
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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ACQUISITION, MILITARY AIRCRAFT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 mar 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STOCKH00991
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780108-0638
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780380/aaaacpqq.tel
Line Count: 173
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e9db18c9-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STOCKHOLM 646
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3366465
Secure: OPEN
Status: NATIVE
Subject: INDIAN ACQUISITION OF A DEEP PENETRATION STRIKE AIRCRAFT
TAGS: MASS, MMOL, IN, SW
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e9db18c9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014